

FAMILY INDEPENDENCE PROGRAM 2005 Annual Report

RHODE ISLAND FAMILIES MOVING FORWARD



Rhode Island Department of Human Services



FIP GOALS

Moving FIP Families toward ECONOMIC INDEPENDENCE and providing for the HEALTHY DEVELOPMENT of Rhode Island's low-income children.

FIP FACTS

Number of FIP Families13,147

(31% are child only cases)

Households with 1 parent 89%

Households with 2 parents11%

Number of Children in FIP families

1 child47%

2 children 30%

3 children 15%

4+ children8%

Primary Language Spoken

English79 %

Spanish18 %

Other/Not Reported3%

Ethnicity

White 40%

Hispanic30%

Black15%

Asian3%

Native American0.3%

Other/Not Reported14%

Education Level of Parent(s)

12th grade or higher51 %

Less than 12th grade49 %

Housing

Approximately 30% of FIP families live in subsidized housing.

Teen Parents

Teen parents age 18 & 19589

Teen parents under age 1855

Of the teens under 18, nine (9) live in the New Opportunity Homes because they are unable to live at home.

FIP ACCOMPLISHMENTS

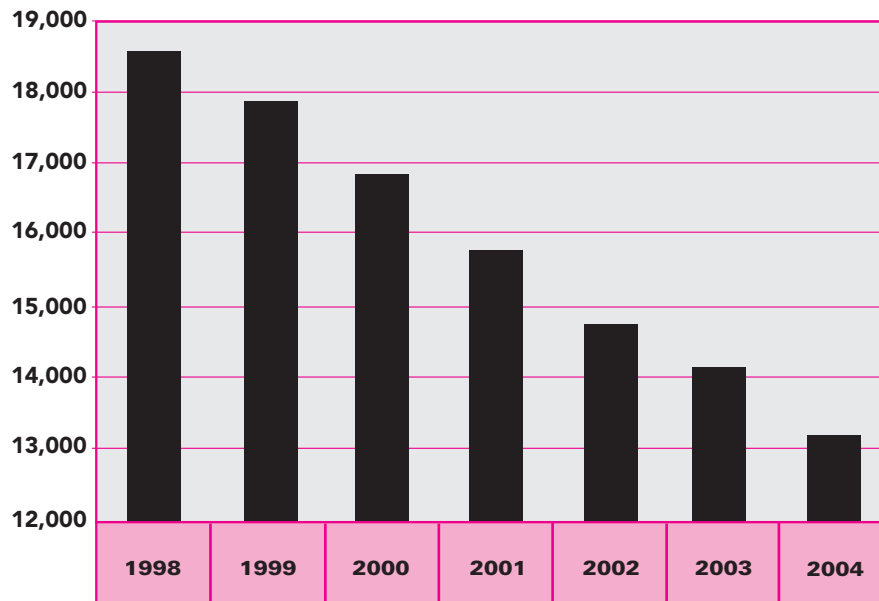
- FIP caseload declined 30% since May 1997. Annually there is approximately a net decline of 1000 families. 13,147 is the lowest caseload in 26 years. *Figure 1*
- Ten percent (10%) more families leave FIP every month than enter FIP. (No less than 50% of all closures are due to employment. Other reasons for closure may be related to moving out of state, time limits, and full family sanction policies instituted during 2004.) *Figure 2*
- Average cost per FIP case continues to decrease. *Figure 3*
- Child care subsidies for FIP children have declined reflecting the move of FIP families into the workforce. Many continue to receive child care assistance after closing to FIP cash assistance, however as working parents, they are now required to share in the cost of child care. *Figure 4*
- Since 1997, over 26,000 FIP families have left cash assistance to become employed. (Approximately 19% of these FIP families return to cash assistance due to layoffs, loss of unemployment benefits or other reasons, but most often return to work as soon as possible.) *Figure 5*
- Of the 13,147 total FIP families, 5,972 (45%) are required to comply with work requirements. Of that number, approximately 5255 (88%) of the FIP parents are meeting that requirement through either employment, education or training, or by preparing to enter employment or other required activity. *Figure 6*



"I'm working in a job I love and I wouldn't be where I am today if it wasn't for the FIP program."



FIGURE 1
AVERAGE ANNUAL NUMBER OF FIP FAMILIES
1998-2004



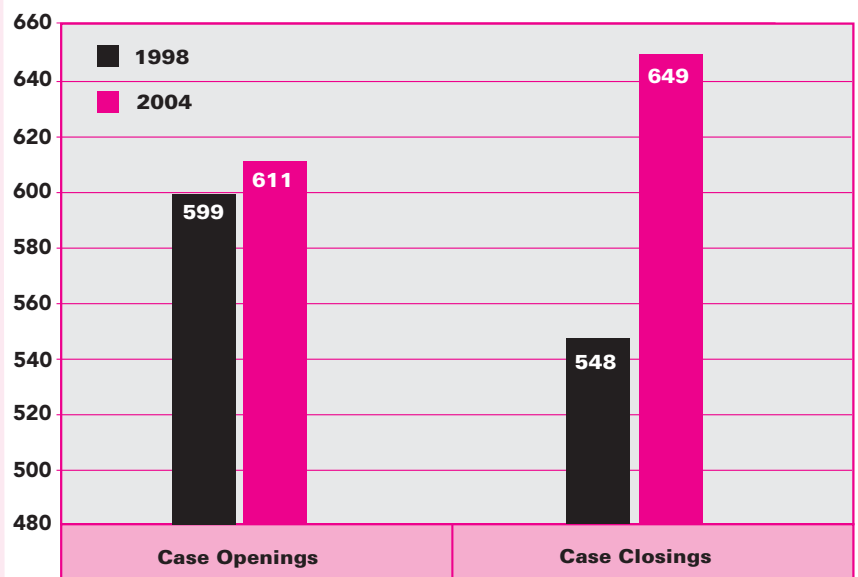
THE NUMBER OF FIP FAMILIES IN DECEMBER 2004 (13,147) HAS DECLINED 30% SINCE 1997 (18,904).

FIGURE 2
COMPARISON OF THE AVERAGE MONTHLY
NUMBER OF FAMILIES ENTERING AND EXITING FIP
1998 & 2004

SINCE 1998 AN AVERAGE OF 600 FAMILIES HAVE ENTERED FIP CASH ASSISTANCE EACH MONTH.

In 2004, an average of 649 families closed to FIP cash assistance each month.

While the average number of new families coming on to FIP each month remains fairly stable, the higher number of families leaving cash assistance each month accounts for the overall decline in the caseload since the beginning of FIP, a trend which has held firm throughout 2004.





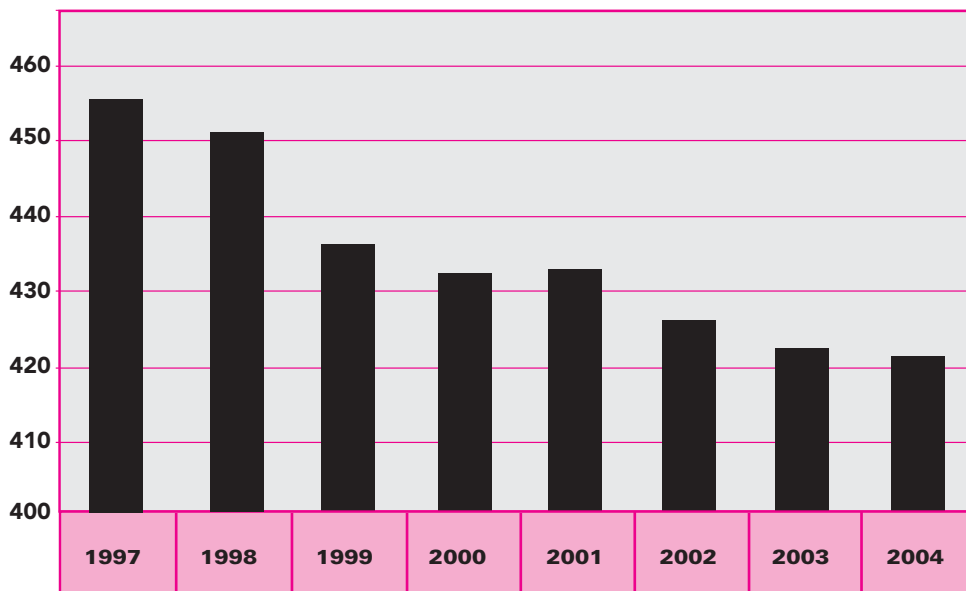
FIP GOALS

Moving FIP Families toward **ECONOMIC INDEPENDENCE** and providing for the **HEALTHY DEVELOPMENT** of Rhode Island's low-income children.

THE FIP AVERAGE MONTHLY COST PER CASE HAS DECREASED 8% SINCE 1997.

The decrease in average monthly cash assistance payments is due in part to increased work activities of FIP parents. Under the FIP work incentive formula, the family retains the first \$170 of monthly earnings plus 50% of the remaining monthly earnings. The working FIP parents and their families continue to receive reduced cash assistance payments until earnings equal or exceed the FIP monthly payment. For example, a family of three will close once their gross monthly earnings reach \$1,278.

FIGURE 3
FIP AVERAGE MONTHLY COST PER CASE DECLINES
1997 - 2004



THE MOVEMENT OF FIP FAMILIES INTO THE WORKFORCE IS REFLECTED IN THE DECREASED PROPORTION OF ALL CHILD CARE SUBSIDIES TO FIP FAMILIES RELATIVE TO THE NUMBER OF SUBSIDIES TO LOW INCOME NON-FIP WORKING FAMILIES.

Many former FIP families continue to receive child care assistance after closing to FIP cash, however as working parents, they are now required to share in the cost of child care.

- In 1997, fifty-seven per cent (57%) of all child care subsidies were used by FIP children.
- In 2004, twenty-two per cent (22%) of all subsidies were used by FIP children.

FIGURE 4
CHILD CARE SUBSIDIES FOR LOW INCOME WORKING PARENTS COMPARED TO FIP PARENTS WORKING &/OR TRAINING,
1997 & 2004

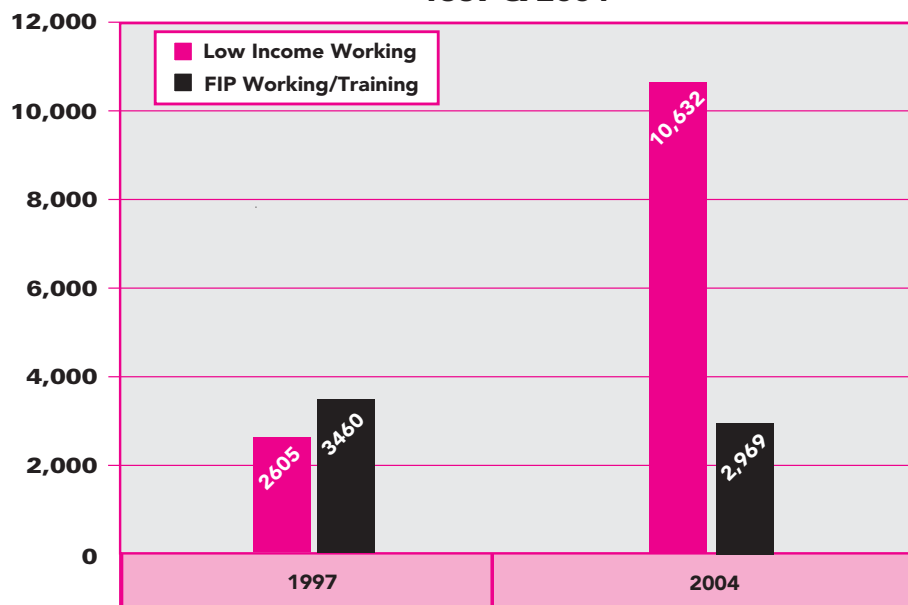
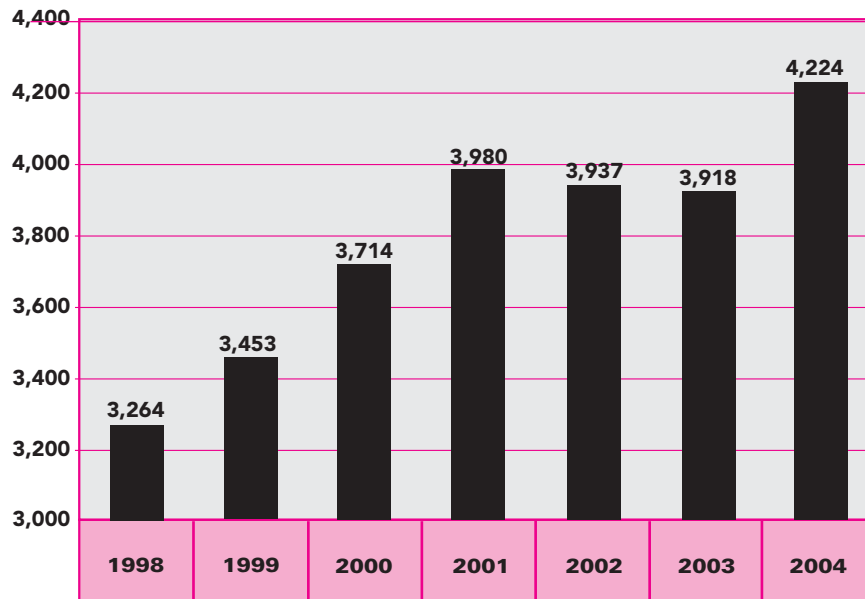




FIGURE 5
FAMILIES LEAVING FIP FOR EMPLOYMENT



A TOTAL OF 26,490 FAMILIES HAVE LEFT FIP CASH ASSISTANCE AND JOINED THE WORKFORCE SINCE 1998.

No less than 50% of all closures are due to employment. Other reasons for closure may be related to moving out of state, time limits, and full family sanction policies instituted during 2004.

SERVICE STRATEGIES GOING FORWARD

Thousands of families have benefited by the education and training available through the Family Independence Program and by the guidance and case management support provided by FIP social caseworkers. A review of the families that remain on FIP indicates a need for programs that assist parents in finding, obtaining and retaining employment. In response to these needs, the Department established the RteWorks Job Retention Unit, which is a group of DHS workers who develop employment opportunities, place FIP parents into employment, and then provide retention services that help the parents remain employed.

However, as the caseload trends downward, there are greater challenges with respect to the families who remain on FIP. Their limited or lack of recent work experience and/or their work readiness needs are more difficult to address. In the fall of 2004, the Department modified its purchased services in order to assure that a more intensive support and work site assistance could be provided. Two approaches have been designed to better assist the long term recipients into work:

- A Transitional Jobs model for those who have no work history or job experience - this model places individuals within a community organization for a period of 3 to 6 months where they learn basic work competencies while being paid.
- A Supportive Employment model which is designed to place individuals into regular paid employment with intensive job coaching services to help the new FIP employee during the period when training and transitional support can result in successful long term employment.

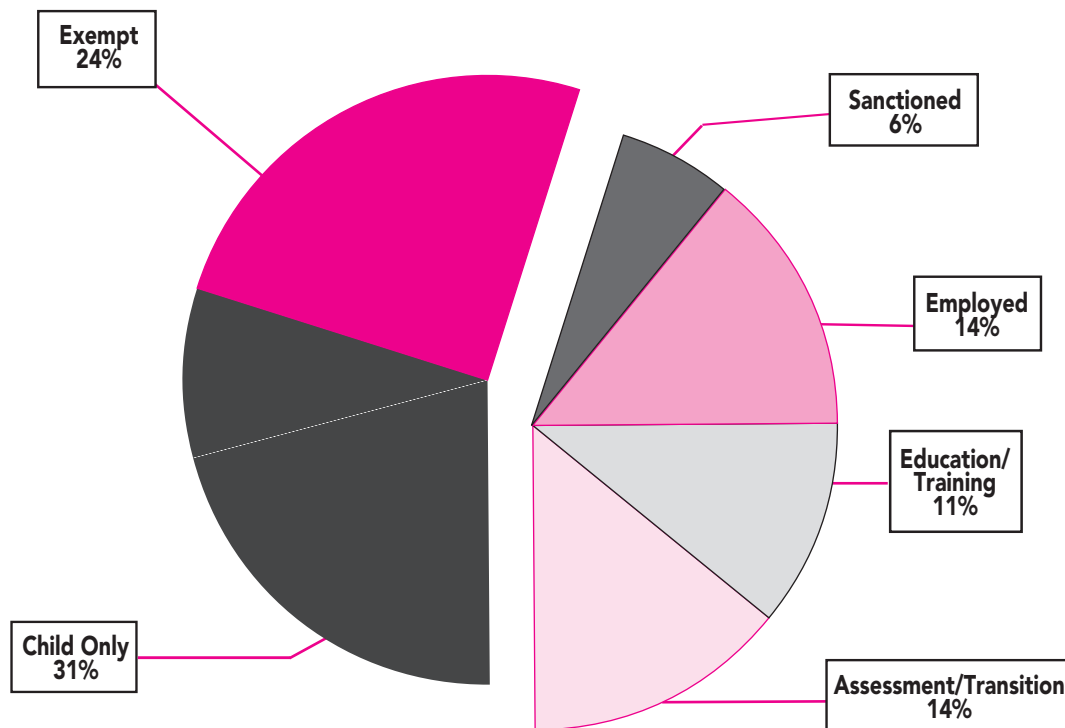


FIP GOALS

Moving FIP Families toward ECONOMIC INDEPENDENCE and providing for the HEALTHY DEVELOPMENT of Rhode Island's low-income children.

Of the 13,147 total FIP families, 5,972 (45%) are required to comply with work requirements. Of that number, approximately 5255 (88%) are meeting the work requirement through either employment, education or training, or by preparing to enter employment or other required activity.

**FIGURE 6
ACTIVITY STATUS OF FIP FAMILIES
IN DECEMBER 2004**



55% Work Requirements Not Applicable (N= 7175)

Exempt parents - age over 60, illness, pregnant, child under age 1 in family, victims of domestic violence

Child only cases - parent does not qualify for FIP cash assistance (22% of cases) or parent has reached 5-year time limit (9% of cases)

45% Adults Required to Work or Train (N=5972)

Employed - parents who are employed but earnings still qualify them for FIP.

Education/Training - parents who are in GED, college, skills/job training.

Assessment/Transition - parents who are preparing their employment plan or who have completed one activity in their plan and have not yet entered the next activity.

Sanctioned - parents who are not complying with their employment plan.

STATE & FEDERAL PARTNERSHIP

Both the state and the federal government fund RI's Family Independence Program. The U.S. Department of Health and Human Services administers the Temporary Assistance to Needy Families (TANF Program). TANF is the federal law that governs welfare reform nationally. It requires that States:

- meet specific program and participation requirements on a yearly basis. States who don't, risk financial penalties.
- establish strong work requirements for parents who receive cash assistance. It also requires a 5-year time limit on cash assistance benefits.
- describe what counts as work-related activities. It also requires individual employment plans for all participating FIP parents.

Both state and federal law define Rhode Island's Family Independence Program. The federal TANF law defines major indicators of success and awards bonus dollars to the top ten performing states who achieve the highest measures in specific categories.



RHODE ISLAND RECEIVES HIGH PERFORMANCE BONUS AWARDS IN FIVE OUT OF SIX YEARS

TOTAL DOLLARS AWARDED \$10,383,560

		Total Award
1999	<i>Improvement in Job Entry and Improvement in Success in the Workforce</i>	\$ 2,495,027
2001	<i>Improvement in Job Entry and Success in Workforce Performance</i>	\$ 4,751,070
2002	<i>Improvement in Success in the Workforce and Performance in Child Care Subsidy and Food Stamp Improvement</i>	\$ 2,253,419
2003	<i>Performance in Child Care Subsidy and Improvement in Family Formation/ Stability</i>	\$ 704,793
2004	<i>Performance in Child Care Subsidy</i>	\$ 179,251

WELFARE REFORM IMPLEMENTATION TASK FORCE



The Department has worked closely and constructively with the Welfare Reform Implementation Task Force (WRITF) since the beginning of the Family Independence Program. This unique partnership has resulted in more than eight years of mutual commitment to improving outcomes for families and children.

Composed of 35 to 40 interested Rhode Islanders, this advisory group is comprised of parents, advocates, service providers, academics and members of the public representing the Poverty Institute at the Rhode Island College School of Social Work, the R.I. Department of Labor and Training, R.I. Housing and Mortgage Finance Corp., R.I. Public Transit Authority, Woonsocket Head Start, Goodwill Industries of R.I., SER Jobs for Progress, R. I. Kids Count, Parents for Progress, Inc., Providence Housing Authority, R.I. Coalition Against Domestic Violence, URI Feinstein Center for a Hunger Free America, Community College of Rhode Island, and other agencies and DHS staff serving low-income families throughout the state.

During 2004, the WRITF has met monthly and works within a subcommittee structure. Efforts during this past year included: adult literacy and learning disability services; housing; domestic violence programs; DHS policy changes; and training for jobs. The task force also worked on the evaluation and longitudinal study of the effectiveness of the FIP program, which was conducted by RIC and Wellesley College.



FIP GOALS

Moving FIP Families toward ECONOMIC INDEPENDENCE and providing for the HEALTHY DEVELOPMENT of Rhode Island's low-income children.

SPOTLIGHT ON THE FUTURE: CONGRESS DEBATES TANF REAUTHORIZATION

As the RI Family Independence Program enters its eighth year, it has had many successes to look back on, but also continues to face many challenges. These include: meeting federal TANF requirements, providing the appropriate mix of services within both state and federal fiscal constraints, and addressing the very significant barriers to employment within the remaining population of long-term welfare recipients who have not yet been able to participate in the RI economy. TANF Reauthorization has not been enacted as anticipated and both Congress and the current administration have been negotiating for a number of changes to the current TANF law. Recent bills being proposed during 2005 have a number of common themes, all of which present both fiscal and operational challenges for programs such as FIP throughout the country.

HIGHLIGHTS of some of the proposed changes include:

- Universal Engagement - Every FIP parent - approximately 9,000 in RI - must have an active Employment Plan. Failure could result in financial penalties of approximately \$4.75 million per year to the state.
- Increased Work Participation Rates - From 50 % to 70 % of cases must meet work requirements. Failure could result in financial penalties of approximately \$4.75 million to the state.
- Increased hours of work or work-related activity are required - from 30 to 40 hours per week.



IMPACTS on Rhode Island, if passed, include:

- Significant unfunded increases in child care expenditures;
- Increased need for work preparation resources;
- Increased demand for case management services and systems tracking; and
- Financial penalties each year if RI fails to engage all FIP parents and/or fails to achieve required participation levels.

TANF funding has been extended until March 31, 2005, with the likelihood of additional extension(s) of funding under current TANF rules through October 2005. However, there are indications Congress may advance consideration of TANF reauthorization.



Jane A. Hayward, Managing Director
Office of Health & Human Services

Donald L. Carcieri, Governor

Ronald A. Lebel, Acting Director
RI Department of Human Services

RI Department of Human Services
600 New London Avenue
Cranston, Rhode Island 02920
www.dhs.ri.gov